Distr.
GENERAL

IDB.26/SR.4
26 November 2002

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Twenty-sixth session

SUMMARY RECORD OF THE 4th MEETING

Held at the Vienna International Centre, Vienna,
on Wednesday, 20 November 2002, at 3 p.m.

President: Mr. HORVATH (Hungary)

CONTENTS

Agenda item			*Paragraphs*
3	Programmatic review, including system-wide issues (*continued*)	)	
	(a) UNIDO participation in major international events (*continued*)	)	
	(b) Implementation of medium-term programme framework, 2002-2005, including field representation and technology foresight (*continued*)	)	1-69
	(c) Global biotechnology forum (*continued*)	)	
4	Medium-term programme framework, 2004-2007 (*continued*)	)	

This record is subject to correction.

Corrections should be submitted in one of the working languages, set forth in a memorandum and/or incorporated in a copy of the record. They should be sent to the Chief, Translation and Editorial Service, room D0710.

In accordance with the rules of procedure of the Board, corrections may be submitted within seven days of the receipt of the record or of the closure of the session, whichever is later. Any corrections to the records of the meetings of this session will be consolidated in a single corrigendum, to be issued after the end of the session.

V.02-59959 (E)

Distr.: 23 December 2002

The meeting was called to order at 3.15 p.m.

PROGRAMMATIC REVIEW, INCLUDING SYSTEM-WIDE ISSUES (*continued*) (IDB.26/CRP.4 and CRP.5)

(a) UNIDO PARTICIPATION IN MAJOR INTERNATIONAL EVENTS (*continued*) (IDB.26/12 and Corr.1)

(b) IMPLEMENTATION OF MEDIUM-TERM PLAN PROGRAMME FRAMEWORK, 2002-2005, INCLUDING FIELD REPRESENTATION AND TECHNOLOGY FORESIGHT (*continued*) (IDB.26/7 and Corr.1 and IDB.26/15)

(c) GLOBAL BIOTECHNOLOGY FORUM (*continued*) (IDB.26/10)

MEDIUM-TERM PROGRAMME FRAMEWORK, 2004-2007 (*continued*) (IDB.26/8 and IDB.26/15)

1. **Mr. DRESCHER** (Germany) said that, as the second-largest contributor to UNIDO's regular budget, Germany had always supported UNIDO and was committed to doing so in the years to come. It commended the strict implementation of the 1997 Business Plan on the Role and Functions of UNIDO and the achievement of turning UNIDO into an efficient and focused organization. The Business Plan was based on three core principles: an optimized organizational structure committed to the concept of lean management; a clear thematic focus on a limited number of key areas; and the introduction of the integrated programmes as the main mode of delivery of UNIDO's technical assistance. Far from being something static, it gave UNIDO the flexibility to reset priorities and adjust its programmes, through the medium-term programme frameworks, so as to match demand from developing countries. However, the core principles of the Business Plan must be strictly adhered to. In that regard, the strategic guidelines for the medium-term programme frameworks initiated by Japan and jointly finalized by Member States confirmed those core principles and constituted a valuable contribution to the efficient implementation of UNIDO's mandate.

2. While welcoming the expected increase in the operational budget for 2002 to US$ 90 million, and acknowledging UNIDO's efforts to mobilize additional funds, Germany considered the amount small in comparison with the annual regular budget of about 67 million euros. Moreover, the fact that voluntary contributions were to a large extent earmarked for specific programmes and projects left very little room to finance new initiatives. Consequently, UNIDO should further narrow the focus of its technical assistance activities, in line with the limited financial resources available, and the Secretariat should take a proactive role in identifying areas of lesser significance. The next medium-term programme framework should be prepared with that overall aim in mind. Furthermore, new activities should be planned and new initiatives embarked on only if sufficient funds could be mobilized to secure their implementation. In that regard, Germany was concerned at the numerous new initiatives proposed by UNIDO. It trusted that activities linked with those initiatives would take place in the framework of integrated programmes, with no deviation from the current medium-term programme framework. Given that implementation of many integrated programmes was hampered by resource constraints, he assumed that no funds would be diverted from the integrated programmes to finance the new initiatives.

3. Lastly, given that the introduction of the integrated programmes as the main mode of delivery of UNIDO's technical assistance was the most visible expression of its efforts to increase the efficiency and efficacy of its technical assistance, UNIDO should undertake, in close cooperation with Member States, a thorough, independent evaluation of the integrated programmes in order to measure their impact and determine whether they had had the intended effect.

4. **Mr. MAHMOOD** (Nigeria) said that his delegation fully supported Programme and Budget Committee conclusion 2002/5 on mobilization of financial resources for UNIDO programmes (IDB.26/13, para. 18). It had hoped that, following the successful reorganization of UNIDO, more funds would be available for the implementation of technical cooperation activities. It therefore called on Member States and donors to increase their voluntary contributions, especially to the Industrial Development Fund. Sharing the view that mobilization of funds was the joint responsibility of UNIDO and Member States, Nigeria urged the latter to facilitate access to funds available from bilateral sources to finance implementation of the integrated programmes. Noting that, in spite of the increased rate of collection of assessed contributions, many countries continued to have the voting rights of 53 Member States were suspended, it urged all Member States to pay their assessed contributions in full and on time, and to utilize the payment plan mechanism to settle any arrears.

5. Nigeria welcomed UNIDO's involvement in major international conferences as a means of enhancing the Organization's image. Noting UNIDO's participation in the Monterrey International Conference on Financing for Development and the Johannesburg World Summit on Sustainable Development (WSSD), as well as the plans for its participation in the Global Biotechnology Forum to be held in Chile in 2003, it urged the Secretariat to follow up those meetings and

dovetail them into the necessary technical cooperation activities. Such initiatives were particularly auspicious now that a new round of multilateral trade negotiations was imminent. While economic reforms, including privatization and market liberalization, were necessary for economic growth, developing countries continued to suffer from the unfair dumping of products on their markets. As a result of those activities, over 70 per cent of Nigeria's textile mills had ceased production since 1997, with a loss of over 70,000 jobs; about 45 per cent of its tanneries had closed down, and the remaining 55 per cent operated at less than 40 per cent of capacity. UNIDO should take account of those issues when articulating its position at the new round of multilateral trade negotiations.

6. The Nigerian Government had completed arrangements to credit the country service framework (CSF) trust fund with an additional sum of US$ 2.754 million in the near future. Nonetheless, it was concerned that implementation of the CSF could be hampered by lack of resources: two years into the implementation of the five-year programme, his Government had made available 65 per cent of its financial commitment and UNIDO had already fulfilled all its commitments to the programme, yet less than 10 per cent of the US$ 5.7 million expected to be mobilized from donor countries and agencies had been realized. Nevertheless, Nigeria would continue to participate in the tripartite arrangements for funds mobilization.

7. **Mr. SHARAF** (Observer for Yemen) said that his delegation supported the medium-term programme frameworks and also Japan's proposal for strategic guidelines (IDB.26/15). An enhanced role for UNIDO depended on increased technical cooperation resources, which, unfortunately, had dwindled by almost 50 per cent in recent years, with adverse effects on industrial development in the developing countries and in the least developed countries (LDCs), of which his country was one. His delegation hoped that the UNIDO leadership would do its best to avoid any further cutbacks in technical cooperation programmes, and called upon donor countries and organizations to increase their financial contribution to such programmes.

8. Following the successful conclusion of a donor conference on economic and social development projects organized by the World Bank in Paris in October 2002, Yemen had been granted US$ 2.3 billion to support its development programme, in recognition of its successful implementation of economic, financial and social reforms over the past seven years. That conference had been preceded by a workshop held in Sanaa and attended by UNIDO experts, dealing with the programme to support industrial and institutional capacity-building and the private sector, with a view to mobilizing resources for UNIDO's integrated programme in Yemen. In the wake of the Paris donors' conference, the Yemeni mission in Vienna, in cooperation with UNIDO's Arab Bureau, was organizing meetings with the Vienna-based multilateral donors in order to identify steps to be taken to implement the programme. In concluding, he called on donor countries and regional and international organizations to honour the commitments they had made at the Paris conference and to increase their contribution to the economic, social and industrial reform programme in Yemen.

9. **Mr. TAKASU** (Japan) said that UNIDO must contribute actively to achievement of the Millennium Declaration Goals in areas where its advantages could be most beneficial. UNIDO's participation in WSSD and its preparatory process, and in the Monterrey Conference, had helped the Organization to enhance its visibility and increased recognition of its role in the promotion of sustainable development. At WSSD, Japan had presented a concept of "global sharing" of experience and information so as to achieve development goals while protecting the environment. UNIDO could make significant contributions to sustainable development by offering the international community examples of good practice through its technical cooperation activities.

10. With a view to maintaining the momentum established by WSSD, in March 2003 Japan would be hosting a ministerial conference on the occasion of the third World Water Forum. The conference would reaffirm the political will to solve water issues and help identify concrete steps for improving water resource management. An invitation to attend the ministerial conference had already been extended to UNIDO, which could make a valuable contribution to the proceedings, drawing on its experience and expertise in the areas of integrated assessment, management and governance in river basins, coastal zones and large marine ecosystems, elimination of persistent organic pollutants and other toxic substances from manufacturing and gold extraction processes, and waste management.

11. **Mr. MOTTAGHI NEJAD** (Islamic Republic of Iran) welcomed the participation of UNIDO in major international events such as the Monterrey Conference and WSSD, as a means of upgrading UNIDO's international image. However, on the related issue of global forum activities, further analysis was needed of industrial trends and strategies. UNIDO should continue efforts to enhance its profile, responding to the national priorities of recipient countries and concentrating on technical cooperation activities in areas where it enjoyed comparative advantage.

12. His delegation commended the efforts of the delegation of Japan to collate the views of Member States with regard to the proposed strategic guidelines.

For the implementation of the guidelines, further financial resources would be necessary in order to consolidate the outcome of the lengthy negotiations among Member States. His delegation also attached great importance to the Global Biotechnology Forum, which could achieve tangible results by focusing on mechanisms to facilitate technology development and transfer.

13. South-South cooperation had gained recognition as an innovative and effective instrument of technical cooperation. Despite high demand, the extent of such cooperation was still very limited. Further strengthening of the existing field offices could assist in raising the level of cooperation among recipient countries, as a means of ensuring their effective integration into the world economy. Lastly, regarding the implementation of the medium-term programme framework, 2002-2005, his delegation was of the view that the restructuring of UNIDO, with all the substantive areas involved in developing technical cooperation programmes merged in a single Division, could improve UNIDO's delivery and technical capacity.

14. **Mr. MOKADADER** (Morocco) welcomed UNIDO's participation in major international events, which was enhancing its visibility. UNIDO was now compelling recognition as a world organization working to lay the foundations for sustainable development in the developing countries. However, it must strengthen its role as coordinating agency within the United Nations system in the field of industrial development and consolidate its cooperation with other international organizations working in the fields of poverty elimination, environment protection and technology transfer through projects to create jobs and promote competitiveness.

15. His delegation noted with interest the initiatives taken to implement the medium-term programme framework, 2002-2005, and welcomed the efforts made to promote investment and technology transfer and to develop interregional cooperation. UNIDO's focus on the involvement of small and medium enterprises (SMEs) in the implementation of its overall policy was especially to be welcomed, as was the decision to promote technology transfer in the fields of information technology, communications and biotechnology. Morocco joined other delegations in urging the Organization to continue its policies directed towards reducing greenhouse gas emissions and to promote more rational use of energy through increased recourse to renewable energy sources and substitution.

16. His delegation also welcomed the note by the Secretariat on the Global Biotechnology Forum (IDB.26/10): reduced budgets and opposition in donor countries should not cause biotechnology to be given lower priority. The Forum would offer UNIDO an opportunity to demonstrate that biotechnology could contribute to sustainable development, improve well-being and ensure environmental security, and it was to be hoped that all Member States would participate in the proceedings.

17. His delegation noted with satisfaction that the proposed medium-term programme framework, 2004-2007, would maintain broad continuity with the previous programme framework and reflect the objectives and priorities laid down in the Business Plan (IDB.26/8, para. 6). Morocco had participated in the consideration by Member States of the strategic guidelines proposed by the Government of Japan, and commended Japan for its unflagging interest in promoting UNIDO. While welcoming the fact that the proposals by Japan had, by and large, been well received by Member States and by the Secretariat, which had deemed them compatible with its medium- and long-term strategy, his delegation very much hoped that the proposals would not result in a reduction in Japan's financial contribution to UNIDO.

18. **Mr. BELLO BOUBA** (State Minister of Cameroon for Industrial and Commercial Development, President-in-Office of the Conference of African Ministers of Industry (CAMI)) said that CAMI was a unique continent-wide industrial partnership and cooperation mechanism for Africa. At its fifteenth session, in October 2001, it had been decided, inter alia, to give the Conference permanent status, to involve CAMI in the implementation of the objectives of the New Partnership for Africa's Development (NEPAD) and to convene subregional meetings. The first of those objectives aimed at establishing a single apparatus combining the tasks CAMI and of the Alliance for Africa's Industrialization (AAI), with an independent secretariat supported by UNIDO, the African Union and the Economic Commission for Africa (ECA). CAMI's involvement in NEPAD would take the form of implementation of subregional industrial cooperation programmes drawn up at subregional meetings. The meeting for the Eastern African region had been held at Arusha, Tanzania, from 24 to 25 October 2002. The timetable for the other subregional meetings would be decided at a second meeting of the Bureau of CAMI to be held in the Vienna International Centre the following day, to which he invited the many African ministers present. On a proposal by the Director-General of UNIDO, the fifteenth session of CAMI had agreed that, in future, meetings to identify appropriate sectors for the promotion of subregional and regional cooperation in Africa would be held in the run-up to sessions of the Conference.

19. Africa's annual per capita income was very low and the continent contributed less than 1 per cent to world manufacturing value added. Measures must now be taken to rectify that situation. For too long industry

had been the poor relation of Africa's economic policies, with structural adjustment policies placing undue emphasis on balanced budgets and monetary policy. It was now universally recognized that industry had a key role to play in the new global economy of liberalized markets, in which Africa would need to offer goods and services on the same footing as other nations.

20. That day, 20 November 2002, was also marked by the celebration of the thirteenth African Industrialization Day. The theme selected for 2002 was "The Industrialization of Africa and the New Information and Communication Technologies (ICT)". The challenge for Africa was to increase access to ICT; with 12 per cent of the world's population, Africa accounted at present for just under 2 per cent of the world telephonic network.

21. Africa also needed low-cost, environmentally friendly energy sources in order to develop its industry. Regional and subregional cooperation programmes were necessary and, at the national level, integrated programmes. UNIDO had so far helped in the drafting of some 20 integrated programmes. He called on the international community to support implementation of the integrated programmes in fields such as agro-industry, SMEs, investment and technology promotion, quality promotion and environmentally sustainable industrial development, all of which had begun to have a positive impact on the industrialization of African countries, particularly the LDCs.

22. Regarding new industrial development strategies, African countries had already adopted policies to promote private investment, improving the physical and institutional infrastructure, encouraging free markets and public/private sector partnerships and promoting good governance. The new CAMI, with support from UNIDO, would work to implement the subregional industrial cooperation programmes currently being formulated, with a view to integrating Africa into the global market.

23. In conclusion, he wished to say a word about the widespread perception of Africa as a continent at risk. Without denying that Africa had its share of difficulties, he wished to highlight its wealth of raw materials, its increasingly abundant supply of skilled, low-cost labour, and the efforts made by African countries to ensure good governance—all factors guaranteeing potential investors among the world's highest rates of return on their investment. With support and assistance from its international partners, CAMI could play a crucial role in the industrialization of Africa.

24. **Mr. HENDAOUI** (Tunisia), referring to the medium-term programme framework, 2004-2007 (agenda item 4), said that, in response to General Conference resolution GC.9/Res.2, UNIDO was seeking to adjust the content and delivery of its services to the needs of a rapidly changing world economic environment. The new medium-term programme framework would have to take account of those adjustments, while ensuring continuity with the previous programme framework and maintaining the objectives and priorities set forth in the 1997 Business Plan. Against that background, his delegation welcomed Japan's initiative calling for the drawing up of strategic guidelines to improve UNIDO's technical cooperation activities. His delegation was pleased to note that the concerns and comments voiced in intersessional consultations were well reflected in document IDB.26/15. The relevance of a medium-term programme framework depended on well-targeted areas for technical cooperation, a broad base for financing of programmes and effective evaluation of activities.

25. His delegation welcomed the importance accorded in document IDB.26/15 to pursuing a geographical, sectoral and thematic concentration of UNIDO's activities by giving added emphasis to provision of services to LDCs, in particular in Africa, with special attention to developing SMEs and agro-based industries. It also welcomed the emphasis on broadening UNIDO's financial base and establishing innovative mechanisms to mobilize funds. In that regard, his Government attached great importance to the mobilization of multilateral funds, inter alia in the context of implementation of the Montreal Protocol, the Kyoto Protocol and the Global Environment Facility (GEF), and welcomed the emphasis placed on improving evaluation of UNIDO activities so as to establish a clearer link between the actions conducted and the objectives pursued, by adapting the Organization's technical cooperation services where appropriate.

26. **Mr. KIM Chang-mo** (Republic of Korea) commended the Director-General and his staff on the proposals for the medium-term programme framework, 2004-2007, which provided a smooth transition from the previous programme framework while maintaining continuity with it. His delegation particularly welcomed the new thematic initiatives designed to enhance the relevance and focus of UNIDO programmes. It also supported Japan's initiative concerning strategic guidelines aimed at further improving the effectiveness and efficiency of implementation of the medium-term programme framework. His delegation hoped that the next medium-term programme framework would combine the ideas and suggestions set forth in the Director-General's proposal with those outlined in the strategy paper (IDB.26/15), so as to optimize results from UNIDO's programmes and services.

27. **Mr. SRIWIDJAJA** (Indonesia) welcomed UNIDO's active participation in major international events such as the Monterrey Conference and WSSD. Such participation should involve strategic and

action-oriented project-related research. It could also be expected to enhance UNIDO's profile as an international organization. His delegation applauded the specific UNIDO initiatives launched during those events, such as the Trust Fund for Trade Facilitation, and initiatives on rural energy for productive use and on technology transfer. Such initiatives were essential in order to increase sources of funds and fund mobilization to support the implementation of technical cooperation activities.

28. On agenda item 3 (b), his delegation hoped that the programmes and activities implemented within the medium-term programme framework, 2002-2005, could be maintained and strengthened with a view to improving UNIDO's service delivery. It shared UNIDO's view of the importance of SMEs and their role in reducing poverty, and commended UNIDO's implementation of a policy to take into account the special needs of the SMEs. It considered that the SME cluster and network development programme and the projected global training programme for cluster and network development functions were of the utmost importance, as enabling SMEs collectively to branch out and compete in the international arena. Given that the SME sector accounted for roughly 80 per cent of developing countries' economies, it must continue to be accorded priority, so as directly to contribute to poverty eradication through sustainable industrial development. Furthermore, in the light of the current global agenda for combating terrorism through combating poverty, support for that highly productive sector of the economy might well be an area where the interests of developing countries and donors coincided.

29. His delegation wished also to commend UNIDO for its plan to extend technology foresight activities to other regions, particularly Asia. The programme should be tailor-made, and should allow for the employment of local experts to secure smooth follow-up and ensure that technology foresight did not become a one-off project. Since, as a new thematic issue, the initiative might fail to attract sufficient interest on the part of donors, joint efforts to secure funding should be strengthened.

30. On agenda item 4, his delegation welcomed the proposal that the medium-term programme framework, 2004-2007, should maintain broad continuity with the previous programme framework and continue to adhere to the objectives and priorities set out in the 1997 Business Plan. The new programme framework should make UNIDO more responsive to the changing requirements of its client countries and to the new realities of the changing global economic environment, a need that should be reflected in a demand-led approach to its formulation. His delegation was also pleased to note the progress made during the informal consultations concerning the strategic guidelines proposed by the Government of Japan, and wished to commend the Japanese delegation and other delegations for their efforts to finalize that important draft document.

31. **Mr. MANALO** (Philippines), commending the smooth implementation of the medium-term programme framework, 2002-2005, encouraged the Organization to make every effort to achieve the service delivery target for the current biennium. He also welcomed the initiatives launched by UNIDO at the Monterrey Conference and WSSD. That proactive approach enhanced the standing of UNIDO in the international community and also helped to attract new resources for the Organization's programmes. For example, a dedicated trust fund had been established as a result of the initiative on international trade participation launched at Monterrey. His delegation thanked the Government of Austria for being the first to contribute to the trust fund and encouraged other donors to do likewise. New thematic initiatives, such as the one on biotechnology, and the Global Biotechnology Forum to be held in 2003 were also important for the mobilization of new resources. His delegation welcomed the offer of the Government of Chile to host the Forum.

32. His delegation agreed with the Director-General's view that the medium-term programme framework, 2004-2007, should not diverge greatly from the 2002-2005 framework. The various proposals for the formulation of the new framework were welcome, but they should conform to the principles set out in the Business Plan. He commended the delegation of Japan for its work in drawing up strategic guidelines for the medium-term programme frameworks (IDB.26/15) and for incorporating the views of all Member States in the document. He encouraged the Secretariat to give due consideration to the guidelines in the planning of the Organization's future activities.

33. **Mr. MORENO** (Italy), welcoming the documents on the medium-term programme frameworks submitted to the Board and the strategy paper prepared by Japan (IDB.26/15), said that in September 2000 there had been a successful visit of permanent representatives in Vienna to the centres operating within the "Trieste System". Those centres worked in the field of technology transfer for the benefit of countries in Central and Eastern Europe and the least developed countries, and they dealt with many issues raised in the documents before the Board. For example, the International Centre for Science and High Technology (ICS) had expertise in technology foresight. A meeting to follow up the Trieste visit had recently been held in Vienna, where ICS had presented further information about a number of projects that had generated particular interest during the visit. Those projects could contribute to the transfer of advanced technologies and scientific knowledge in the context of specific UNIDO activities.

34. The International Centre for Genetic Engineering and Biotechnology (ICGEB), also in Trieste, was a multilateral institution which had originated as a UNIDO project and was now an autonomous intergovernmental organization. It specialized in research and training in biotechnology. In 1996, a cooperation agreement between ICGEB and UNIDO had been concluded, under which ICGEB was regarded as the implementing agency for UNIDO activities related to the technical and scientific aspects of biotechnology. The relationship between the two organizations therefore had the potential to deliver substantial benefits to developing countries. However, in practice, cooperation had never fully developed, and in the past year UNIDO had increased its activity in the field of biotechnology without the involvement of ICGEB. That lack of cooperation could result in a duplication of work.

35. His delegation suggested that ICGEB should participate in the International Organizing Committee responsible for planning the Global Biotechnology Forum which was due to take place in December 2003. That event would provide an excellent opportunity to discuss the safe use of biotechnology and the benefits to be derived from industrial applications of biotechnology. ICGEB could be responsible for scientific and technological follow-up to the Forum, while UNIDO could benefit from the experience of ICGEB in analysing the needs of the least developed countries, providing training for scientists from the developing world and implementing technology transfer.

36. **Ms. UDVARHELYI** (Hungary) welcomed the restructuring of the Secretariat, including the appointment of the new Managing Directors, which had contributed to the stability of the Organization. Her delegation encouraged the Director-General to continue his efforts to consolidate that stability and to focus on improving the Organization's technical cooperation delivery.

37. The Government of Hungary attached great importance to the promotion of technology transfer, a major area of the current medium-term programme framework, as demonstrated by the assistance which her country, in cooperation with UNIDO, had provided to Nigeria and Malawi for projects to establish regional technology transfer centres in sub-Saharan countries. Those projects had shown that such assistance could be effective only if the recipient country had a clear vision of its future technological development. Her delegation therefore welcomed the new thematic initiative on technology foresight, the focus of which should be to promote the application of technology foresight in low-income countries. The Government of Hungary was willing to share the experience it had gained from the Regional Programme on Technology Foresight for Central and Eastern Europe and the Newly Independent States. The Technology Foresight Summit to be held in Budapest in 2003 would provide an excellent opportunity to do so.

38. Her delegation welcomed the other innovative thematic initiatives put forward by the Secretariat, many of which would contribute to the implementation of the current medium-term programme framework. She also commended the strategic guidelines prepared by the delegation of Japan (IDB.26/15), which would undoubtedly help to improve technical cooperation delivery.

39. **Ms. RAMIS-PLUM** (France) welcomed the continuing improvement in the financial situation of UNIDO and the recent restructuring of the Secretariat, both of which had helped to stabilize the Organization and enhance its image. Her delegation commended in particular the process of decentralization, since it was vital for UNIDO officials to complete a period in the field, rather than spending their entire careers at Headquarters. The development of regional offices, and the fact that an increasing number of technical services were being provided on a regional basis, meant that staff would need to be highly skilled and committed to promoting development in the world's poorest countries. In addition, greater cooperation among the different branches of the Secretariat would be required in order to develop new initiatives. She welcomed the strategic guidelines proposed in document IDB.26/15 and thanked the delegation of Japan for coordinating the preparation of the document.

40. Her delegation attached great importance to the Global Biotechnology Forum, in which a number of French businesses had already expressed their interest. It was to be hoped that the Forum would result in concrete proposals which could be discussed by the Organization's governing bodies with a view to deciding on precise action. Broad themes had been chosen for the Forum in the hope that coordinated results could be achieved across the whole United Nations family.

41. It should, however, be remembered that there were unresolved questions concerning national laws with regard to biotechnology. In France, for example, the laws on ethics and patentability were due to be revised in 2003. Common positions on such issues were currently being developed at the European level and also in the context of the World Trade Organization (WTO). At the same time, the public debate in France about the cultivation of genetically modified organisms was far from reaching a conclusion. Those points should be kept in mind when financial and industrial partnerships were discussed at the Forum.

42. France attached great importance to NEPAD and to the involvement of UNIDO with that initiative. The

concept of partnership and mutual responsibility which formed the basis of NEPAD boded well for its success. She also commended the active contribution of UNIDO to the Third United Nations Conference on the Least Developed Countries, held at Brussels in May 2001, and the development of the UNIDO-Africa Investment Promotion Agency Network.

43. It was vital to uphold the principle of multilingualism in the Organization. A number of essential documents, such as the Director-General's bulletin of January 2002 on the structural reform of UNIDO and the Industrial Development Report 2002/2003, had not been translated into all the official languages. That situation was regrettable in an organization with a universal remit, and France hoped that greater efforts would be made to address it, so that French-speaking developing countries could benefit promptly from all the services available to them.

44. **Ms. HALLE** (Croatia) welcomed the restructuring of the Secretariat, in particular the appointment of the three new Managing Directors, which would further improve the efficiency of UNIDO and enable its special role in the international community to be recognized. She commended the strategy paper drawn up by the delegation of Japan, which would sharpen the focus of technical cooperation activities and enable the Organization to adapt to the changing global economic environment.

45. Her delegation also welcomed the new thematic initiatives launched by the Secretariat, especially as they were based on the Millennium Development Goals. The initiative concerning technology foresight was of particular interest to her delegation because Croatia was engaged in a process of institutional capacity-building in that field. Preparations were under way for the opening of a national development and research institute, which had been proposed by the Ministry of the Environment, while the Ministry of Economic Affairs had suggested that an agency for industrial development should be established. Croatia would be willing, in the capacity of co-organizer, to host meetings on the subject of technology foresight, particularly those areas relevant to businesses and sectoral institutions. Her delegation also thanked the Government of Hungary for organizing the Technology Foresight Summit to be held at Budapest in March 2003, which would provide a unique opportunity for exchanging views and information.

46. In the context of the initiative on obtaining rural energy from renewable resources, which had been launched at the World Summit on Sustainable Development, the Government of Croatia was discussing with UNIDO a project on bio-diesel production. The initiative was important because biomass was a potential new source of energy offering a variety of benefits, including that of being environmentally friendly, which were in line with the recommendations of the Summit. Her Government commended UNIDO for its contribution to the Summit, and would communicate further views and proposals on the thematic initiatives in due course.

47. **Mr. A.H.A. MOHAMED** (Sudan) said that his delegation welcomed the content of the medium-term programme framework, 2002-2005, but nevertheless considered that it should focus more closely on developing countries. Those countries needed more assistance for programme implementation, and he called on donors to provide the necessary resources. Turning to the medium-term programme framework, 2004-2007, he expressed the hope that Member States would be given an opportunity to examine all the proposals that had been put forward and express their views. His delegation endorsed the strategy paper which had been prepared by the delegation of Japan with the support of other Member States.

48. **Mr. MAKSIMOVAS** (Observer for Lithuania), welcoming the positive results achieved in the UNIDO reform process, said that his country had recently paid off a significant portion of its arrears to the Organization and had indicated its readiness to conclude a payment plan with a view to restoring its voting rights. His Government had greatly appreciated the UNIDO mission to Lithuania in May 2002, the aim of which had been to develop project proposals on the basis of interests expressed by national institutions. It was to be hoped that further projects would be developed in the future.

49. Referring to documents IDB.26/7 and IDB.26/8, he reiterated his delegation's support for the Organization's activities concerned with promoting investment and technology transfer, assisting the development of small and medium enterprises, supporting environmentally sustainable development strategies and extending technology foresight activities. His delegation also commended the organization by the Secretariat and the Government of Hungary of the first annual Technology Foresight Summit.

50. Welcoming the information provided by the Secretariat on the new thematic initiatives and the work done by the delegation of Japan on the strategic guidelines contained in document IDB.26/15, he said that his delegation looked forward to participating in further discussions on those important matters.

51. **Ms. M. SILES** (Bolivia), referring to the report of the External Auditor contained in document IDB.26/2, welcomed the stabilization of the Organization's financial situation, which would allow it to reverse the decline in the amount of resources devoted to technical cooperation over the past decade. Her delegation also

agreed with the External Auditor's view that the results of UNIDO projects implemented under the Montreal Protocol should be evaluated; that would enable any necessary adjustments to be made in order to ensure that the Organization's resources and technical capabilities were effectively used.

52. Turning to document IDB.26/10, she welcomed the forthcoming Global Biotechnology Forum, which would provide an opportunity to discuss a highly topical issue on the international agenda. It was to be hoped that the Forum would also lead to the establishment of objectives and commitments with regard to social welfare and environmental sustainability.

53. Her delegation commended the participation of UNIDO in various international events, including the recent World Summit on Sustainable Development, as described in document IDB.26/12. It was to be hoped that the Director-General's remarks on the need for the enhanced use of technology cooperation in support of sustainable development would be reflected in the Organization's future activities. Her country was particularly interested in the promotion of technology transfer and technical modernization, which would help to strengthen production.

54. **Mr. ABDENUR** (Observer for Brazil) said that for some months Brazil had been conducting a review of its relationship with UNIDO. Brazil had initially been closely involved with the Organization, but for a number of years its involvement had been minimal. However, after the election of Mr. Carlos Magariños as Director-General and the process of reform of the Organization which had followed the adoption of the Business Plan in 1997, Brazil was keen to re-establish an active relationship with UNIDO.

55. The reform process, including measures such as increased decentralization, a sharpening of the focus of activities and better coordination among departments, had improved the Organization's efficiency. UNIDO was now in a better position to help developing countries to strengthen their industrial base in order to reduce poverty, increase productivity and competitiveness, gain access to international markets and meet the challenges of globalization. It was also paying greater attention to the environmental sustainability of development policies and programmes.

56. His delegation welcomed the Organization's participation in the system-wide process of reform and in major conferences such as the World Summit on Sustainable Development and the International Conference on Financing for Development. It was also pleasing to note that UNIDO was increasing its cooperation with other international organizations such as WTO.

57. He commended the delegation of Japan for its preparation, in consultation with other Member States, of the strategic guidelines contained in document IDB.26/15. He also welcomed the plan to hold the Global Biotechnology Forum in Chile in 2003 and said that his country was keen to contribute to that event, first of all by participating in the preparatory regional meeting in Latin America. His delegation agreed with the view expressed by the representative of Italy that ICGEB should also be involved in the preparations for the Forum. The newly elected Government of Brazil would follow with interest the activities of UNIDO, with a view to re-establishing a solid relationship with the Organization.

58. **Mr. CHAVEZ PAREJA** (Ecuador) commended the participation of UNIDO in relevant international forums, such as the International Conference on Financing for Development and the World Summit on Sustainable Development, where the Organization had been able to increase its visibility and present initiatives illustrating its capacity to contribute to development.

59. His delegation welcomed the new thematic initiatives developed by the Secretariat, which would improve the Organization's ability to meet the needs of developing countries. Ecuador had already communicated to UNIDO the name of its national counterpart for the Regional Programme on Technology Foresight for Latin America and the Caribbean. His delegation also welcomed the plans to hold the Global Biotechnology Forum in Chile in 2003.

60. The strategic guidelines for the medium-term programme frameworks proposed in document IDB.26/15 were a valuable step towards adapting the 1997 Business Plan to the changing global economic environment, which presented developing countries with major new challenges. The broad consultation process organized by the delegation of Japan in the preparation of the document had made it possible for all Member States to contribute.

61. **Mr. RIPANDELLI** (International Centre for Genetic Engineering and Biotechnology) said that biotechnology offered extraordinary opportunities for solving problems related to health, nutrition and economic development, but that there was also concern about its possible impact on the environment, human dignity, local economies and traditional production methods. It was therefore essential to build the capacities of developing countries in the field of biotechnology and to provide a forum for debate on the subject, so that those countries could ensure that biotechnology was used in a safe and sustainable way. The Global Biotechnology Forum was a welcome initiative in that regard.

62. Document IDB.26/10 rightly highlighted the potential of biotechnology for developing countries and the difficulties they faced in gaining access to it. However, it did not refer to the endeavours made by UNIDO itself in setting up the International Centre for Genetic Engineering and Biotechnology to address those issues. ICGEB was now an autonomous intergovernmental organization which operated in close contact with other organizations in the United Nations system. It was a centre of excellence in its field, with a special focus on the needs of developing countries and countries with economies in transition. More than 300 scientists at the Centre's two branches in Trieste and New Delhi worked on the development of major programmes in the fields of human health, agriculture, industrial development and basic science, and provided scientific and institutional assistance on biotechnology issues.

63. To date, 67 countries had signed the ICGEB Statutes, and it was likely that the number would increase over the next few years. ICGEB had always enjoyed a close relationship with UNIDO and, because UNIDO had successfully coupled scientific and academic excellence with the international recognition enjoyed by the United Nations system, ICGEB had decided to maintain that close relationship when it had become independent from UNIDO in 1996. Eventually, a cooperation agreement had been signed between the two organizations with a view to avoiding duplication of work. One current area of collaboration was technology foresight.

64. The Global Biotechnology Forum was an important initiative and the Director-General of ICGEB would be honoured to accept the invitation to participate in the International Organizing Committee for the event. The Board of Governors of ICGEB had also recommended that the Centre should be actively involved in the follow-up to the Forum, and that UNIDO and ICGEB should continue their cooperation for the benefit of the developing world.

65. **Ms. NDIAYE** (International Organization for Migration (IOM)) said that sustainable development was a central concern of the international community which had achieved particular prominence through the World Summit on Sustainable Development in Johannesburg. At the Summit, IOM had highlighted the desirability of harnessing the skills and financial resources of qualified migrants in order to foster development in their countries of origin. The IOM programme on migration for development had been conceived with that principle in mind and had initially been implemented in Africa, which had the highest concentration of LDCs. The programme was based on the concept of the mobility of qualified migrants and was designed to offer such migrants the opportunity, on a contractual basis, to use their expertise in the service of their country of origin while preserving the professional and social status they had acquired in their country of residence.

66. Building a competitive private sector was the key to sustainable development. Governments should not bear exclusive responsibility for that endeavour; their role should rather be one of supervision and facilitation. Businesses desperately needed experts from the diaspora who were familiar with the local culture in the relevant country of origin and could therefore propose appropriate solutions, working in conjunction with national counterparts based in the country of origin. Skills databases, already available in some developed countries, allowed individuals' skills to be matched with the priority needs of Governments and private sectors. She hoped that UNIDO and IOM could cooperate to support national capacity-building in priority sectors of the economy where there was a shortage of qualified human resources and where existing skills were not being used to the full.

67. Another possible area of cooperation was the exploration of ways to use financial remittances from migrants for the purpose of industrial development. Statistics showed that, in many developing countries, the sum of financial remittances via formal channels such as banks or private companies was substantial. However, it was estimated that "informal" transfers, not subject to any form of monitoring, represented an even greater sum. To date, no proper analysis of that phenomenon had been carried out. Currently, funds from informal remittances were used mainly for community investments or to cover the costs of schooling, health care or providing for a family. UNIDO and IOM should cooperate to find ways of channelling those funds into productive investments, in combination with foreign direct investment and tax and customs incentives.

68. IOM was implementing small-scale pilot projects in which qualified migrants worked in their country of origin, particularly in communities with low levels of education, so as to provide basic skills that were useful for development and economic reconstruction. Under those projects, loans were provided for micro projects and an impact evaluation was conducted after six months of operation. A number of such projects had been conducted successfully in Asia and Africa, and many had achieved good results in situations where large-scale programmes were hampered by bureaucracy and problems with the release of funds. She hoped that UNIDO and IOM could also pool their efforts in that regard, with a view to generating employment, income and investment.

69. IOM was keen to point out the impact of migration on the implementation of NEPAD. On the one hand, the planned major infrastructure projects

would cause population displacements that would affect development and engender social problems and public health problems. On the other hand, the skills of members of the African diaspora could be put to positive use in such projects. International and inter-African migrants represented a large pool of human resources, and IOM and UNIDO should come together to discuss ways of utilizing that potential.

The meeting rose at 5.55 p.m.